

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO

STATE OF NEW MEXICO, *ex rel.*
State Engineer

Plaintiff,

vs.

ROMAN ARAGON, *et al.*,

Defendants.

6:69cv07941-BB

RIO CHAMA STREAM SYSTEM
Section 3, Rio Cebolla
Subfile No.: CHCB-1-0007, 2-001,
2-0002C, 2-0009

JOINT STATUS REPORT

In compliance with the Order Granting Motion to Stay Litigation Proceedings filed February 8, 2010 (Docket No. 9576), the Plaintiff State of New Mexico *ex rel.* State Engineer (State Engineer) files this Status Report in connection with the settlement negotiation meetings conducted between Defendants Gerald M. Chacon, Charlie Chacon and Delfin O. and Frances S. Chacon Trust (Defendants) and CHCB-002-0002C and the State Engineer. The settlement negotiations resulted in partial settlement of the Defendants claims. Subfile CHCB-002-0001 has been divided into A and B subfiles and a Consent Order was entered for CHCB-002-0001A (July 23, 2010, Docket No. 9916).

Attorneys for the parties are currently in discussion to clarify the remaining issues and have agreed to enlist the services of Charles Kinney, the State Engineer's mediator, to conduct formal negotiations at his earliest convenience. Under such circumstances, the attorneys for the parties believe that settlement is possible. The time needed to conduct these negotiations will depend on Mr. Kinney's schedule but it is expected that negotiations will occur within sixty days.

Should further delays appear likely, the parties will inform the Court.

Respectfully submitted,

/s/ Barbara Brill
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 6th day of August, 2010 I filed the foregoing electronically through the CM/ECF system which caused the parties on the electronic service list, as more fully set forth in the Notice of Electronic Filing, to be served via electronic mail.

/s/ Barbara Brill
Barbara Brill